

Old's Proposal

Concept Development

When the tourist railroad idea was conceived no real plans were developed other than "let's do it". We contributed to the idea and the project because it:

- saved the railroad right of way from the highway department
- offered the first real different tourist attraction in the state
- had the "clitter" necessary to stimulate investment in even the most conservative person and
- individual reasons

Whatever the reason was for you, you dug deep to make the idea a reality.

During the first summer many of us talked about schemes to further enhance the operation and entice other investors to join with us. Those many ideas were catering, picnic areas, condominiums, pullmans for overnight parties, ski trails, dining aboard the train, Stage 1, Stage 2, and on and on.

Of all the ideas presented the idea of running a Dinner Train got the most acceptance. In fact the idea was proposed at length to our prospective financial backers with projections as to how much it would contribute financially to the overall operation. We wanted a way to bring back part of the 27,000 passengers we had the first year. The feeling was strong that the great majority would be riding the train for a once in a lifetime experience. The diner was the logical way to get another fare from each. The establishment of a fixed restaurant at the terminal would collect no fares, would be very expensive to build, might conflict with masterplans when they were developed, and in general have to compete with many other dinner-houses. But who in all of the Western states had a tourist train with diners operating. No one yet! Again, no experience to draw on but a great idea and why not try it.

The diners were available from various train systems, because Amtrak had purchased all they wanted and the balance were declared surplus. I felt it might be a once in a lifetime possibility to get the equipment the railroad needed to carry out the project. Through talks with various ones of you I indicated that I wasn't interested in getting the equipment for the railroad unless I would be operating it on a lease basis. And the railroad wasn't interested in a private party owning rolling stock on WMRR rails. The arrangement looked ideal for both of us. I was going to provide the cars, because all of you were not and the railroad could not make a commitment with no funds.

There was one large hindrance. WMRR had no lease and it really appeared that the state road commission was playing the waiting game of watching us go broke through their inactivity on a lease. The big stall was shooting down my purchases. Diners at \$5,000 and dome cars at \$10,000 were one thing, but no rail and no tourist railroad was another. Being in constant contact with Lowe I knew

we hadn't given up. I was ready to purchase the cars but I stalled the railroad hoping that we would at least get the lease on the track to the dam. This much would have assured me that we would operate this summer and that my investment would not be lost.

When it became known to me that available rolling stock was being bought by other groups I acted anxiously. I put the down on two diners from UPRR. I had waited too long and all of the diner cars were gone. Now all of the diners are gone in the West.

The period of time described lasted three to four months. But when the purchase was finally made I approached the board through Lowe Ashton about beginning the negotiations on the lease. The board obviously couldn't give me carte blanche; so I was told that Lowe and I were to negotiate and then present to the board for approval a lease. After the board gave its approval the lease had to be given to the State Parks and Recreation Division for their approval. Fine! Things were really underway; so I proceeded to make my final payment to the UP.

Lowe and I worked out some general ideas and then he presented the items to Rick Brown, WRR lawyer. I spent a morning with Mr. Brown to suggest revisions and new ideas. The idea was presented to both parties insurance carriers for their approval.

I missed the next two board meetings. The last one I missed because of being in Los Angeles looking for railroad equipment. One of the provisions in the impending lease required the operation of a snack car on the excursion train. That car hadn't been purchased yet.

The opening date for the operation was May 27. Time is growing short and planning time is almost nil. At this point in time I have ceased to make any more equipment commitments. Some questions have been raised by board members regarding the feasibility of even entering this type of operation now or ever. Some want fixed dining off railroad property, some on railroad property, some want just the tourist runs, and even some have said nothing one way or another.

This then is a very brief history of what has been going on. As you read these items pencil questions you might have. I can't give you perhaps all of the answers, but most I can.

Board member Sweeney proposed some questions in a letter to me some of which I can answer and others which I must defer because the answers even from railroad sources don't seem to be available.

Some of the ideas I am I will present especially on the monetary portion of the sub-lease are a departure from conversations I have had with Mr. Brown and Lowe.

1. How much initial investment is required to commence an operation for 1972?

For the WRR this would depend entirely on how extensive and elaborately they want to proceed. Counting the purchase of the cars and renovation, painting, and equipment needed \$19,000 would be conservatively and a high of 30,000 providing no additional locomotive is required.

2. Services to be offered and equipment to be used

Dinner-train

2 DP diners (seating 40 in each diner)

1 car to be used as a club car

1 open-air car and possibly 1 closed car

We will offer bar service for those not in the diners.

Half of the people riding will be served meals in the diners on the way down the canyon and half on the way back. All of the arrangements will be on a reservation basis. Possibly entertainment will be offered. I believe that this is an idea which must be handled carefully. At this point it is difficult to determine who are clients will be and just what they will want.

The menu has not been finalized, but at this time a choice of four items would be offered. If more expensive dinner items are desired an additional charge would be made.

Service would be white linen service. It would probably be a dinner-club or wheels.

3. Necessary personnel required

a. Railroad

engineer, fireman, conductor and brakeman

Leasee

2 cooks, 2 bartenders, 6-8 waitresses, 1 waitress

1 bar tender, 2 or 3 cocktail waitresses

4. Weight of the cars

2 diners - 78 ton each

1 club car - 78 ton

1 open car - 18 ton

5. Return to the rail road

With only a given number of operating days available during the summer it makes sense to run as many trains per day as possible. The dinner train would really be another excursion train with more to offer.

I would suggest a charge to be \$8.00 per person and divided as follows:

\$4.17 to concessionaire

3.83 to WFR

The price suggested is less than the \$4.00 charged to regular adult fares, but the average fare based on the number of children riding averages much lower than this. With a capacity of 160 the gross revenue for WFR would be \$611.20 excluding bar receipts. With this new monetary division the railroad would provide all but the food, service, car cleanup, and light maintenance in those cars.

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Income Conservative

Based on 64 runs (Friday, Saturday, Sunday and holidays,
servicing 120 people per run)

120 X \$3.83 X 64 trips	\$29,414.40
expenses- wages=\$43.90, others-\$102.23 \$146.13 X 64	- 9,352.32
Gross profit	\$20,062.08

Income Moderate

Based on 64 runs per season, 80% capacity (153 meals)

153 X \$3.83 X 64	\$37,603.36
less expenses	- 9,352.32
Gross profit	\$28,251.04

Income Optimistic

Based on operating two runs on holidays and holiday weekends at
80% capacity

153 X \$3.83 X 70	\$41,019.30
less expenses \$146.13 X 70	-10,229.20
Gross profit	\$30,790.10

The above figures are based on the operating capacity of the
diners at 48 seats each. The expense figures are direct operating
expenses based on the first year experience and supplied by Lowe
Ashton.. No figures are available other than those given.

6. Projected expenditures for the next several years

After carefully considering the original plan as outlined with Lowe and our lawyer I proposed this alternate on distribution of receipts.

Within this framework I now propose that the dining cars be in operable shape for this operation when turned over to the lessee. I would then maintain the car and service equipment with regards to normal minor repairs.

The decor of the car would be the responsibility of the WMRR and they in turn would have the opportunity of changing decor as they so wanted. I would maintain any decor installed. Items wearing out would have to be determined on some just basis. In other words replacement would be responsibility of WMRR.

I would supply all uniforms for my labor. I would be happy to work with any theme the RR wanted to develop.

Some simple remodeling in the kitchen area would be necessary. At the present time for example the diners are equipped with coal stoves. These would have to be converted to butane.

The air-conditioning units and the power units are electro-mechanical in nature. This means they would have to be converted to the same type as system now installed on the hospital cars. We would be pulling the cars too slowly for the present system to operate adequately for minimum performance.

The interior of the cars (diners) could be operated as is considering their decor. With table linens and attractively set they will be very satisfactory.

The anticipated bar-car will need to be panelled and rest-rooms installed. This car is in Omaha and can be remodeled by the Auto Liner Corp.

If the lease is negotiated I would sell the diner's to WMRR for my accounting costs involved. This would be about \$14,000. If the cars aren't purchased during the first year's operation the purchase price would be on the basis of appraisal price or accounting cost whichever is the greater.

My initial cost would be somewhere between \$5000 and \$8000 to outfit the cars with dishes, silver etc. I would acquire all necessary licenses

Other than to put in more serviceable small appliances the expenditures for the future would have to be presented as part of the RR Co. master planning.

I want to thank you for the opportunity of presenting this plan and these few ideas. I know we have the makings of a great income producing area. You are all aware that the only way to determine whether it will work is to do it. At the risk of only having the good idea and then not following through we may lose some of the glitter we have been talking about all Winter. When proposed to any outside people the dinner-train

gets the firm positive response.

We need to determine whether it will be done. There is much design and pre-planning to be done on my part. I have to ride diners to see how they operate and what the limitations are. Equipment delivery usually requires 30-45 days.